
FISCAL TOPICS

Fiscal Services Division

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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

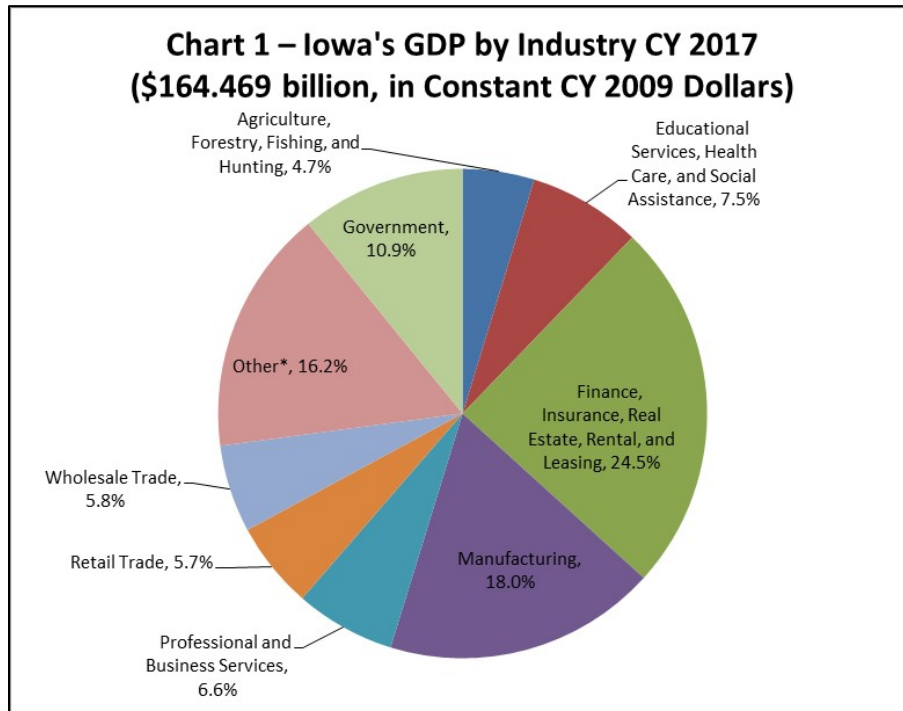
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Iowa Gross Domestic Product

The Gross Domestic Product (GDP) for states is the value of state economic activity. It is equivalent to the gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus input (consumption of goods and services purchased from other U.S. industries or imported). It is often considered the states' equivalent of the nation's GDP. Comparisons are made with the GDP for the nation as a whole and with the average GDP of the plains states (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota). The GDP estimates were obtained from the [Bureau of Economic Analysis](#), U.S. Department of Commerce. When inflation occurs, a dollar in 2017 does not have the same buying power as it did in 1997. To eliminate growth due to inflation, a midyear (2009) was selected, and all dollar amounts for each year are adjusted to reflect the same buying power in constant 2009 dollars. Comparisons were made using the converted 1997 Iowa GDP as the base. Economic growth is shown as a percentage of the 1997 GDP to provide a standard comparison across years and regions.

Current Situation

In CY 2017, Iowa had a GDP of \$164.469 billion in constant CY 2009 dollars. **Chart 1** shows the distribution of Iowa's GDP by major industry.



*Other Includes: Mining; Utilities; Construction; Transportation and Warehousing; Information; Arts, Entertainment, Recreation, Accommodation and Food Services; and any other industry not otherwise categorized.

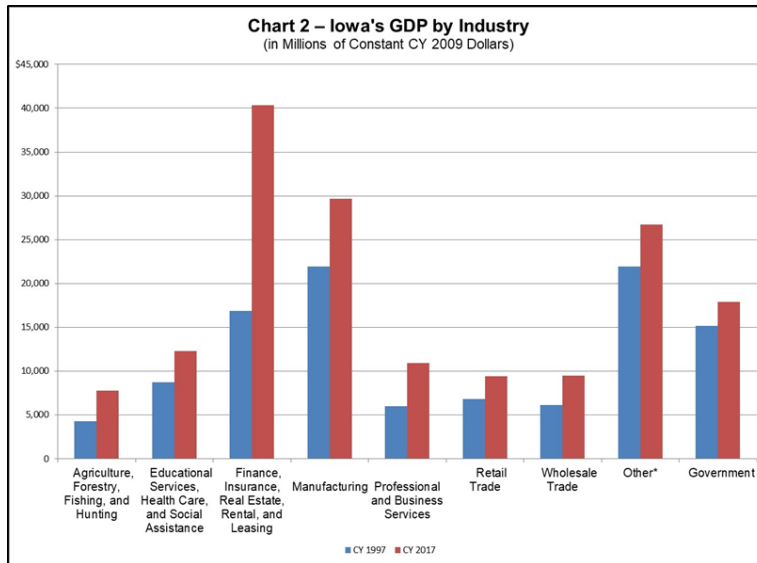


Chart 2 shows Iowa's CY 1997 and CY 2017 GDP contribution by major industries in terms of constant CY 2009 dollars. The State's total GDP increased by \$56.576 billion (52.4%) from \$107.893 billion to \$164.469 billion. The following three major industries contributed the most in terms of dollars to the increase in the State's GDP:

- **Finance, Insurance, Real Estate, Rental, and Leasing**, which increased \$23.428 billion (138.8%). The growth in the insurance carriers and related activities' contribution to the State's GDP has exceeded the growth for both the plains states and the nation. This activity employed over 44,000 workers in Iowa in CY 2016.
- **Manufacturing**, which increased \$7.746 billion (35.3%). While nondurable

goods manufacturing in the State has been relatively steady with a slight annual average increase, durable goods manufacturing of computer and electronic products has contributed the most to the State's manufacturing increase. In Iowa, this industry lost almost 25,000 jobs from CY 2008 through CY 2009, contributing to the decrease in the State's GDP, and manufacturing jobs started to decline again in CY 2015.

- **Professional and Business Services**, which increased \$4.881 billion (81.2%). The Legal Services sector shows the only decline for this industry with a decrease of \$182.0 million (18.4%). Management of companies and enterprises in the State shows the largest relative increase in the contribution to the State's GDP lead by a gain of just over 6,000 (50.0%) jobs from CY 2009 through CY 2016.

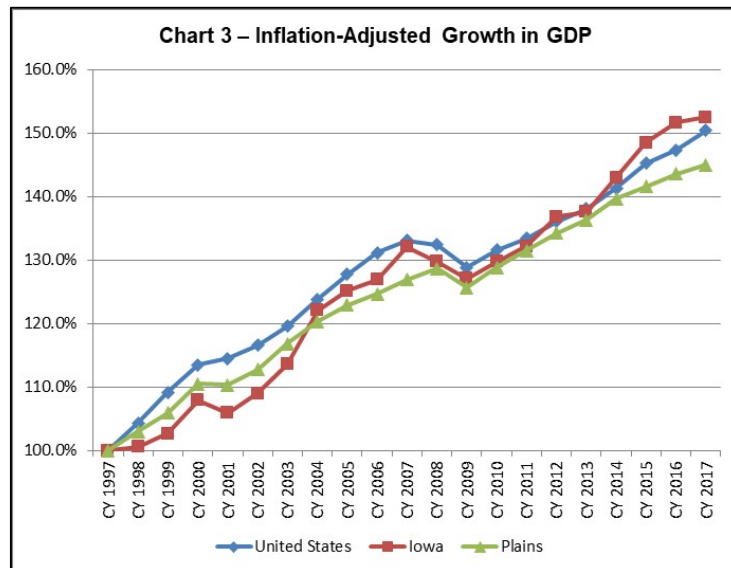


Chart 3 shows the relative inflation-adjusted growth in total GDP for Iowa, the plains states, and the nation. From CY 1997 through CY 2017, Iowa's 52.4% growth leads the plains states' 45.0% growth and the nation's growth of 50.4% as a whole. Iowa surpassed the plains states beginning with CY 2004 and the nation beginning with CY 2014.

Attachment A shows the change in GDP CY 1997 – CY 2017 for Iowa and the plains states and the GDP for the nation by industry. Of the 15 major industries, including Government, Iowa's growth exceeded the plains states and the nation in five of those industries and lagged behind both in seven industries. Iowa's leading industry in terms of both the increase in dollars and the percentage growth is the Finance, Insurance, Real Estate, Rental, and Leasing industry with a growth of \$23.4 billion (138.8%). This

industry represented 24.5% of the State's GDP for CY 2017 and 15.6% for CY 1997.

Summary

Iowa leads both the nation and the plains states as a whole in economic growth since 1997 and Iowa's growth ranks 21st of the 50 states.

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More Information

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Gross State Product for Iowa and the Plains States, and Gross Domestic Product for the Nation
CY 1997 – CY 2017
(in Millions)

Industry	Iowa		Plains		United States	
	Dollar Change CY 2017 v. CY 1997	Perct. Change CY 1997 – CY 2017	Dollar Change CY 2017 v. CY 1997	Perct. Change CY 1997 – CY 2017	Dollar Change CY 2017 v. CY 1997	Perct. Change CY 1997 – CY 2017
All Industry Total	\$ 56,576.0	52.4%	\$ 331,250.0	45.0%	\$ 5,602,721.0	50.4%
Private Industries	53,609.0	57.6%	319,195.0	50.6%	5,335,954.0	56.6%
Agriculture, Forestry, Fishing, and Hunting	3,475.0	80.7%	16,876.0	107.4%	62,761.0	69.0%
Mining, Quarrying, and Oil and Gas Extraction	(39.0)	-10.5%	6,520.0	116.0%	133,831.0	56.5%
Utilities	170.0	6.0%	4,913.0	28.8%	12,743.0	4.8%
Construction	17.0	0.3%	(6,291.0)	-13.7%	(34,276.0)	-5.0%
Manufacturing	7,746.0	35.3%	44,045.0	41.4%	590,765.0	43.3%
Wholesale Trade	3,341.0	54.2%	27,391.0	61.2%	397,551.0	64.1%
Retail Trade	2,640.0	38.9%	21,309.0	46.3%	371,139.0	55.2%
Transportation and Warehousing	1,624.0	45.4%	7,593.0	25.0%	114,834.0	32.1%
Information	1,525.0	57.1%	15,306.0	69.6%	587,817.0	157.3%
Finance, Insurance, Real Estate, Rental, and Leasing	23,428.0	138.8%	88,850.0	75.5%	1,327,619.0	67.2%
Professional and Business Services	4,881.0	81.2%	47,368.0	66.0%	917,406.0	74.9%
Educational Services, Health Care, and Social Assistance	3,566.0	40.8%	35,646.0	58.0%	537,130.0	61.8%
Arts, Entertainment, Recreation, Accommodation, and Food Services	697.0	18.7%	5,702.0	20.3%	189,228.0	41.4%
Other Services (Except Government and Government Enterprises)	(592.0)	-16.2%	(4,766.0)	-18.1%	(28,878.0)	-7.7%
Government and Government Enterprises	2,752.0	18.2%	10,431.0	9.7%	250,807.0	14.6%

Notes:

1. Adjusted for inflation based on 2009 dollars.
2. Numbers do not total due to rounding.